

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS ROME 002277

SIPDIS

FROM U.S. MISSION TO THE UN AGENCIES IN ROME

NSC FOR DWORREN
STATE FOR IO/EDA, PRM/P, E, EB/IFD/ODA, EB/TPP/ABT, IO/EDA,
WHA/EPSC, WHA/CEN
TREASURY FOR OSDI - JASKOWIAK, BLOOMGARDEN, BRUBAKER
USAID FOR AA/LAC, DAA/DCHA GRIGSBY, DCHA/FFP LANDIS
USDA/FAS FOR CHAMBLISS/TILSWORTH/GAINOR

E.O. 12958: N/A
TAGS: [EAID](#) [EAGR](#) [EFIN](#) [AORC](#) [SENV](#) [NU](#) [XK](#) [WFP](#) [FAO](#) [IFAD](#)
SUBJECT: FOOD SECURITY IN NICARAGUA: VISIT OF ALTERNATE
PERMREP, MAY 2-5, 2004

1. Summary: U.S. Mission Rome Alternate Permanent Representative traveled to Nicaragua May 2-5 to review efforts by the UN agencies to work with the host government and other donors to address food insecurity in this low-income, food-deficit country that has been hit by recurring natural disasters and hampered by political and economic instability. Field visits to eight ongoing projects supported by the World Food Program (WFP) and/or the UN Food and Agriculture Organization (FAO) in west and central Nicaragua provided compelling evidence of the extent of food insecurity and poverty problems, and of the positive impact the UN agencies can have on rural communities, particularly when they work together in a close and coordinated fashion. School feeding activities were seen to provide important benefits to vulnerable children and their communities, but the continuity and sustainability of such activities appear in doubt, given uncertain USG commitments. The Nicaraguan government's apparent failure thus far to identify food security as a national development priority is a matter of concern. At the same time, prospects for enhanced trade under the Central American Free Trade Agreement (CAFTA) and development opportunities that come with Nicaragua's recently announced eligibility for the Millennium Challenge Account provide grounds for a measure of cautious optimism. End summary.

BACKGROUND

2. Alternate Permrep Willem Brakel, from U.S. Mission Rome, visited Nicaragua from May 2 to 5, to review the field activities of the Rome-headquartered UN agencies for food and agriculture. Also participating in the field visits on May 4 was Guatemala-based Regional Food for Peace (FFP) Officer David Hull. This report seeks to highlight noteworthy activities and to flag issues related to actual or potential synergies among the programs of WFP, FAO, IFAD and other UN agencies and their complementarity with USG bilateral assistance. The assistance of the WFP and FAO Permanent Representations, the USAID Mission and U.S. Embassy are gratefully acknowledged. This cable may be read in conjunction with a separate report covering field visits in Guatemala.

3. Nicaragua is the second-poorest country in the Latin America/Caribbean region, with approximately half of the population living under the poverty line. Almost 80 percent of the extremely poor live in rural areas prone to recurrent natural disasters. Chronic malnutrition affects one out of four children under age 5. Addressing food insecurity has not been a government priority. In March 2004, FAO, WFP, UNICEF and WHO/PAHO drafted a joint analysis on "Food and Nutritional Security: a Strategic Element for the Development of Nicaragua." The paper concludes that "in recent years, actions undertaken by the various organizations that promote food and nutritional security have implicated significant levels of financing, but their impact is scarcely perceptible, very isolated and with scant coordination in most cases, without a national strategic connection to integrate the different actors in this area ... resulting in the expenditure of resources without the least or acceptable impact (productive, social and economic) at the national level, with a few exceptions...." The FAO and WFP reps sent a copy of the joint analysis to the Presidency in early April, urging the government to rethink its policies and to include food security more centrally in the National Development Plan.

WFP OPERATIONS

4. WFP's Country Program (CP) for Nicaragua aims to achieve

food security for more than 452,000 persons over the 2002-2006 period, at a total budgeted WFP cost of \$14 million for basic activities and \$9.4 million for supplementary activities. The CP concentrates on the northern and south-central regions of the country, where rural women and children, small farmers and landless people are the most vulnerable and disadvantaged in gaining access to resources. The CP is being implemented through the following program activities: (1) integrated assistance for vulnerable women and children; (2) investment in human capital through education in areas highly vulnerable to food insecurity; (3) support to rural families in areas affected by drought and floods; and (4) assistance to additional school children (fully funded from the USDA McGovern-Dole initiative). Also, Nicaragua benefits from the \$66.8 million Protracted Relief and Recovery Operation (PRRO) for Central America, providing targeted food assistance in 2003-2006 for persons affected by shocks and for the recovery of livelihoods.

FAO ACTIVITIES

15. FAO has four major ongoing projects under the Technical Cooperation Program (TCP) totaling \$1.06 million, related to (1) support for artisanal fisheries on the Atlantic coast; (2) expansion of the Special Program for Food Security (SPFS) in the Dry Zone (Note: the Dry Zone is an area in Nicaragua that extends northwest into Honduras, El Salvador and Guatemala that suffers from frequently recurring droughts); (3) emergency diversified production for small coffee producers in Matagalpa and Jinotega Departments; and (4) preparation for a coffee production conversion and diversification program. There are new TCP projects under consideration involving (1) sustainable development of small watersheds in NE Nicaragua; (2) management of pine forests affected by fire; (3) development of a forest inventory; and (4) demarcation of indigenous lands in the Atlantic (RAAN) region.

16. Four ongoing or recent activities supported by voluntary Trust Fund contributions are: \$1.66 million from Spain for the pilot phase of the SPFS; \$323,828 to support the national agricultural and livestock census; and two smaller projects studying remittances and the impact of HIV/AIDS, respectively. Possible new Trust Fund projects involve (1) technical education and agricultural information systems, (2) live exports of spiny lobsters, and (3) technical assistance for small/medium livestock producers, provided through the Rural Credit Fund. Also under consideration is a \$10 million FAO/UNDP project on sustainable use of rural land in areas susceptible to degradation. There are six small (less than \$10,000 each), community-based Telefood projects in progress, and seven more on the drawing boards. Finally, there are four regional TCP projects and five regional Trust Fund projects currently ongoing.

IFAD-FUNDED PROGRAMS

17. IFAD has two approved projects in Nicaragua:

-- Program for the Economic Development of the Dry Region. Loan amount: SDR 10.15 million (\$14.6 million). The program will enable poor peasants and microentrepreneurs to participate in planning and implementation of business and employment plans, ensuring improved access to income-generating activities. Cooperating institution: Central American Bank for Economic Integration.

-- Technical Assistance Fund Program for the Departments of Len, Chinandega and Managua. Loan amount: SDR 10.2 million (\$14.7 million).

The main objective is to improve the productive and marketing capacity of rural, small- to medium-scale producers and entrepreneurs in order to improve the income and living conditions of their families. Specifically, the program will ensure that the target groups have access to sustainable technical assistance services. Cooperating institution: International Development Association.

USG ACTIVITIES

18. USAID/Nicaragua is implementing a five-year P.L. 480 Title II program with a total budget of approximately \$52.5 million. The program began in 2002 and will run until 2006. The program monetizes approximately 60 percent of the commodities and directly distributes the rest through food-for-work activities. A little more than half of the program's budget supports agricultural activities aimed at increasing the incomes of small-scale farmers through crop diversification, markets linkages, and the adoption of new agricultural technologies. The remaining funds support maternal and child health and nutrition programs with a

focus on children below two years of age. In addition, USAID is funding development of a Meso American Food Security Early Warning Systems (MFEWS) aimed at strengthening regional capacity to detect potential food insecurity crises ahead of time by improving access to and sharing of information.

9. USDA food commodities are directly distributed in programs that support: (1) maternal child health for 115,000 children and 21,000 adults in hospitals, orphanages, schools, and homes for the elderly; (2) food-for-education to improve attendance, enrollment, nutrition and achievement levels of pre-primary and primary level students in the municipalities of Jinotega, Madriz, and Managua; (3) WFP's protracted relief and recovery operation and school feeding project. USDA monetization programs include support for: (1) 260 primary school students and street children, grades 1 to 9; (2) improved productivity and income of small and medium-sized farmers; and (3) improved attendance and quality of education through the food-for-education initiative.

SITES VISITED -----

10. We visited the following projects/activities:

(1) School Feeding, Las Banquitas Community, Department of Matagalpa:

WFP provides food assistance to the El Nicarao school's 201 preschool and primary school children in this community of 760 inhabitants. During our visit on May 3 the student association leaders presented a letter thanking the U.S. and other WFP donors for food contributions "that fill us with happiness." In their letter, the children highlighted the positive effects of school meals on attendance and children's health. "We hope that you as donors continue to support us with food products, and in so doing shape the future."

(2) WFP Vulnerable Group Activities, Las Banquitas Community, Department of Matagalpa:

We visited a clinic where WFP provides food assistance in the form of complementary rations to 46 pregnant or nursing women and 77 infants. Recent data indicate that in this community 20% of the children under the age of two are malnourished.

(3) FAO Emergency Seeds Project, Las Banquitas Community, Department of Matagalpa:

In 2003, WFP created a food-for-work program in cooperation with the National Union of Coffee Growers, permitting 32 families to diversify their economic activities away from coffee. Concurrently, FAO provided seeds, fertilizer and tools to 65 families for cultivation of black beans, in its first emergency activity that was specifically targeted to address an economic crisis.

(4) FAO Emergency Seeds Project, La Fundadora, Department of Matagalpa:

We visited additional families cultivating black beans with FAO support in the community of La Fundadora. The farmers explained that people in this area are not used to eating black beans and there is not much of a market for them locally; but they considered themselves fortunate to have this variety since the beans were able to withstand an unexpected rainy spell much better than the traditional red beans. They will try again this year. The farmers' experience suggests that farmers may need assistance for more than one growing season in order to successfully adopt new crops and techniques. They also may need more help in accessing regional markets where demand for black beans is stronger and prices are higher.

(5) Nutritional Recovery Center, Town of Matagalpa:

This center operated by a faith-based NGO in conjunction with local medical authorities provides in-patient care to children suffering from serious malnutrition. When we visited, there were only 9 children receiving treatment, but two were severely malnourished. The center's staff explained that follow-up with the children's parents is an important part of their work, since families' lack of awareness of nutritional basics, together with economic hardship, are the principal causes of their children's malnourishment.

(6) WFP Interventions, Los Pochotillos Community, San Francisco Libre:

This isolated community of 44 families -- mostly subsistence

farmers -- is located in the Dry Zone. Road access is difficult in the dry season, and nearly impossible during the rains. Burros are the preferred mode of transport. The poverty rate is over 95%. Basic services are rudimentary. The preschool, with an enrollment of 15 and using the building of a local church, has a roof but is otherwise open to the elements. Lessons at the one-room elementary school (enrollment: 73) are given in shifts, with first and second graders attending in the morning and third through sixth graders in the afternoon. It is 7 km to the nearest clinic, and 24 km to the nearest secondary school. In this environment WFP provides food for work during critical times of the year. There is a school feeding program to which parents contribute their labor (preparing the meals) and vegetables (to enrich the diet). A vulnerable group program provides complementary food rations to pregnant and lactating mothers and their infants.

(7) FAO Irrigation and Agriculture Demonstration Project, Los Pochotillos Community and environs, San Francisco Libre:

We visited an FAO SPFS irrigation project that has been operating since 2000. The project supports local farmers in construction of small irrigation systems, provides training in soil conservation and watershed management, and encourages diversification of crops, to include onions, yucca, high-yield maize and plantains.

(8) WFP/FAO Projects, La Trinidad Community, San Francisco Libre.

WFP and FAO activities similar to those in Los Pochotillos were also observed in the neighboring La Trinidad Community, a settlement that is slightly larger and somewhat less poor, but where socioeconomic and climatic conditions are much the same. The school feeding program could be enhanced by creation of a vegetable garden on the premises to provide fresh produce for inclusion in the menu -- FAO may be able to assist.

(9) IFAD: Foundation for the Technical Development of Agriculture and Forestry of Nicaragua (FUNICA):

Due to time constraints, it was not possible to visit IFAD-funded activities in the field. We met instead in Managua with the General Manager and other officials of FUNICA, a foundation created under the Technical Assistance Fund Program (para 8). Under this program, public and private-sector institutions jointly manage public funds to promote demand-driven services in research and agricultural extension. The officials outlined the lines of action of FUNICA's Technical Assistance Fund (FAT) in promotion and organization of producers, pre-investment studies, technical assistance services, and local capacity building.

CONCLUSIONS

11. U.S. Mission Rome offers the following comments and observations based on the visit.

-- WFP is managing a dynamic program in Nicaragua that goes well beyond distribution of food. Food is seen to be used as a tool for development. Activities such as school feeding, by involving parents in preparation and transport of food, are acting as a catalyst for community organization.

-- Looming over Nicaragua's school feeding program are proposed USG cuts for McGovern-Dole initiative. The situation is worsened by the recent termination of a related Japanese program. School meals for 400,000 schoolchildren may have to be discontinued shortly if the shortfall is not addressed.

-- During the visit to Nicaragua, we also learned that Central American governments affected by the proposed cuts in McGovern-Dole have agreed to a joint demarche in Washington, led by the Nicaraguan Embassy.

-- Local expectations of foreign aid may be unrealistically high after the extraordinary donor efforts following recent disasters. In the long term the Nicaraguan government will need to play a larger role in its national food security, but it has not shown leadership in this area.

-- There needs to be a clear demonstration of political will on the part of the GON to end hunger. Reported government attempts to target food aid to municipalities for political advantage should be investigated and brought to a halt. Government policy in other areas, such as land tenure, is a major factor in food insecurity.

-- Consideration should be given to allocating part of the new resources available to Nicaragua under the Millennium

Challenge Account to addressing food security issues.

-- It is unlikely that the domestic private sector can do much to fill the food aid resource gap; they may have some

commodities to donate, but not the cash required to pay for transport, nor can they assure continuity of supply.

-- WFP Nicaragua is doing commendable pioneering work with the international private sector, as host for volunteers from the Netherlands-based freight/parcel forwarder TPG. The volunteers are released by their employers for a 3-month tour, implementing school feeding activities and small projects in Matagalpa area.

-- More could be done to harness the influence and resources of Nicaraguan expatriates. We learned that WFP is already embarking on promising outreach to the Nicaraguan community in the U.S. The power of such an approach was demonstrated recently when a Miami Herald article on Nicaragua generated \$28,000 in unsolicited contributions from expatriates and other well-wishers. Also, FAO Nicaragua, with the Ford Foundation, is planning an interesting pilot project to study the use of remittances for local development activities in the municipality of El Sauce.

-- Commendably, the WFP and FAO offices cooperate closely and effectively, both in the field (as seen at Las Banquitas and Los Pochotillos) and in the capital (where the FAO and WFP reps together spearheaded a dialogue with the Presidency on the role of food security in the National Development Plan).

-- We understand that close UN agency cooperation also extends to UNICEF and UNDP, although strong pressure on the UNDP office to generate new projects appears to have contributed to a competitive -- rather than cooperative -- interagency environment in the development of project proposals.

-- FAO is fortunate to have an energetic Resident Representative in Managua, but this individual is hamstrung by limited resources and a lack of technical experts. A possible solution might be to give consideration to out-posting FAO officers from Rome to a sub-regional office for Central America that supports the FAO permanent representations in Managua and other Central American capitals.

-- We encourage increased regional cooperation and information exchange on food security issues. This applies both to coordination among the UN organizations and major donors, as well as within USG agencies. A recently proposed effort in that direction -- a Central American regional food aid planning conference involving FFP officers, WFP reps and other key players -- was reportedly scrapped. From our conversations in Nicaragua, we believe that such a meeting has merit, and should be reconsidered.

-- The HIV/AIDS epidemic is considered to be in its early phases in Nicaragua and UNAIDS estimated in 2000 that only 4900 persons were infected; but, extrapolating from Health Ministry statistics on AIDS-related deaths and factoring in underreporting, the actual number may be in the 24,000-36,000 range. The GON is currently implementing a grant from the Global Fund; Nicaragua's implementing NGO consortium has included the link to nutrition and food security in its work plan and is receiving technical assistance from the USAID-supported Food and Nutrition Technical Assistance (FANTA) program.

-- FAO-Nicaragua has taken an important step in initiating a Pilot Study on HIV/AIDS and Food Security in Rural Nicaragua, with funding from the Livelihoods Diversification and Enterprise Development program, and is preparing a follow-on study for the North Atlantic region of the country. Other UN agencies and bilateral donors need to

work with the GON to give HIV/AIDS greater attention.
Hall

NNNN

2004ROME02277 - Classification: UNCLASSIFIED